

Message Text

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ACTION IO-13

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-09 EUR-12 NEA-10
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UNCLAS SECTION 1 OF 3 IAEA VIENNA 3336

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E.O. 11652: N/A

TAGS: AORG, OCON, AFIN, IAEA, TECH
SUBJECT: A&B COMM MEETING REPORT

REF: A) IAEA VIENAN 2746, B) STATE 086138

1. SUMMARY: IAEA ADMINISTRATIVE AND BUDGET FOR 1978 AND ACCOUNTS FOR 1976. CONSENSUS REACHED THAT THE ACCOUNTS WERE ACCEPTABLE BUT UNOBLIGATED BALANCES GROWING AT AN ALARMING RATE AND REQUIRING INVESTIGATION, BUDGET WILL PRESENTED BUT NEEDS POLISHING AND REFORMULATION BEFORE THE JUNE BG MEETING. NEARLY HALF OF REPS WHOS SPOKE CALLED FOR CUTS IN BUDGET. COMMITTEE RECOMMENDED CONTINUATION OF THE FINANCING OF THE MOVE TO DONAU PARK OUT OF PRIOR YEARS BUDGET SURPLUSES. NO CONSENSUS REACHED ON TARGET FOR VOLUNTARY CONTRIBUTION. END SUMMARY.

2. THE DIRECTOR GENERAL OPENED HIS COMMENTS WITH A SUMMARY OF THE PROPOSED BUDGET, WHICH TOTALS 45,018,000, NOTING THE PROPOSED ASSESSMENT INCREASE OF 21.7 PERCENT OR 8 MILLION. THE BUDGET INCREASE, HE EXPLAINED, WAS BROKEN DOWN IN SEVERAL

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PARTS; 5 MILLION FOR PRICE INCREASE OF WHICH 2.1 MILLION IS FOR CURRENCY FLUCTUATIONS, AND 3 MILLION FOR PROGRAM INCREASE OF WHICH 2.5 MILLION IS FOR SAFEGUARDS. HE EMPHASIZED THE ONLY 26 MEMBER STATES WOULD PAY FOR THE SAFEGUARDS INCREASE. HE NOTED THE PROPOSED TOTAL STAFF INCREASE OF 62 POSTS AND THE PROPOSAL TO RECOGNIZE THE MERIT OF THREE SENIOR P-5S BY PROMOTION THEM TO D-1. DR. EKLUND COMMENTED THAT HE HAD CHOSE THE PROMOTION

APPROACH TO PRESERVE THE EXISTING STRUCTURE OF THE PERSONNEL SYSTEM RATHER THAN SUGGEST ADOPTION OF THE P-6 GRADE AS HAS BEEN DONE AT WHO. BECAUSE OF SLIPPAGE IN THE PROJECTED DATE FOR THE MOVE TO DONAU PARK, HE REQUESTED THE COMM TO RECOMMEND WAIVER OF CERTAIN FIN REGS TO PERMIT DEFERRAL OF SOME PURCHASES UNTIL 1979 (GOV/1804). ON THE PROGRAM SIDE HE NOTED THE INCREASE IN SAFEGUARDS WHICH RESULTS FROM THE EURATOM AGREEMENT AND JUSTIFIED THE ADDITIONAL POSITIONS AND COMPUTER EXPENSES ON THIS BASIS. HE WENT ON TO DISCUSS THE TWO NEW DIVISIONS IN SAFEGUARDS SAYING THE ARE NECESSARY TO HANDLE THE ADDITIONAL WORK LOAD. HE ALSO MENTIONED AGENCY ACTIVITIES IN CONNECTION WITH THE WASTE MANAGEMENT, THE LONDON CONVENTION ON OCEAN DUMPING, PHYSICAL PROTECTION, AND TECHNICAL ASSISTANCE ALL OF WHICH REQUIRE ADDITIONAL RESOURCES. REDIRECTION OF SOME OF THE RESOURCES OF THE LABORATORY AND TRANSFER OF SOME ACTIVITIES OUTSIDE THE LAB HAVE BEEN RECOMMENDED BY A GROUP OF CONSULTANTS AND THESE RECOMMENDATIONS ARE NOW UNDER STUDY. THE AGENCY IS PROPOSING TO EXPAND ITS SUPPORT OF THE FAR EAST REGIONAL COOPERATION AGREEMENT FOR RESEARCH AND TRAINING AND HAS EARMARKED FUNDS FOR THIS UNDER THE APPROPRIATE PROGRAMS. EKLUND CLOSED EXPRESSING HIS CONCERN THAT FAO HAS NOT CONTRIBUTED THE AGREED 50 PERCENT (FURTHER REPORT SEPTEL), OF INCREASES FOR THE JOINT FAO/IAEA PROGRAM.

3. THE US OPENED GENERAL DISCUSSION OF THE ACCOUNTS MAKING THE POINT THAT THE INCREASE IN UNOBLIGATED BALANCES IN OPERATING FUND II, FROM WHICH TECHNICAL ASSISTANCE IS FINANCED, IS DISTURBING TO THE POINT THAT ACTION MUST BE TAKEN, IF FUNDING PROBLEMS ARE TO BE AVOIDED. AS INSTRUCTED REF B, THE US CALLED FOR SECRETARIAT TO REPORT THE TOTAL UNOBLIGATED BALANCE IN UNCLASSIFIED

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INCONVERTIBLE CURRENCIES, THE AMOUNTS EARMARKED FOR 1973 AND PRIOR PROJECTS, AND UNOBLIGATED BALANCES BROKE DOWN TO SHOW FUNDS EARMARKED FOR SPECIFIC TYPES SUCH AS FELLOWSHIPS, EXPERTS, OR EQUIPMENT GRANTS. THE US PROPOSED REPORT WAS ENDORSED BY UNITED KINGDOM, JAPAN, CHILE, NIGERIA, FRG, INDONESIA, SOUTH AFRICA, INDIA, BRAZIL, AND FINALLY EGYPT ADDED ITS SUPPORT. NO SPEAKER OPPOSED THE PROPOSAL FOR REPORT. PAKISTAN REP PROBABLY ANTICIPATING THAT THE POINT WOULD BE USED IN ARGUING FOR A SMALL TARGET, SAID THAT UNOBLIGATED BALANCES IN OP FUND II ARE NOT A PROBLEM, BECAUSE THEY DO NOT PREVENT THE DELIVERY OF TECHNICAL ASSISTANCE AND ARE NATURAL CHARACTERISTIC OF THE PROGRAM. PAKISTAN, COLOMBIA AND CHILE ARGUED UNOBLIGATED BALANCES NATURALLY RESULT FROM THE IAEA FOUR YEAR DELIVERY EXPERIENCE. THE EXPERIENCE IS THAT 30 PERCENT OF THE FUNDS ARE EXPENDED IN THE FIRST YEAR OF THE PROGRAM, 40 PERCENT IN THE SECOND, 20 PERCENT IN THE THIRD, AND 10 PERCENT IN THE FOURTH YEAR. ACCORDINGLY THE AGENCY'S UNOBLIGATED BALANCE GROWTH IS MERELY THE NATURAL RESULT OF THE EXISTENCE OF THE PRINCIPAL DONOR COUNTRIES, IT IS PROBABLE THAT THESE PROGRAMS ALSO RUN LARGE UNOBLIGATED

BALANCES, PAKISTAN REP. CONTINUED. IN LOOKING AT UNOBLIGATED BALANCES THE IMPORTANT FACTOR IS THE NATURE - ESPECIALLY THE AMOUNTS AND TYPES OF INCONVERTIBLE CURRENCIES - NOT THE AMOUNT OF UNOBLIGATED BALANCES. PAKISTAN REP ALSO COMMENTED ON THE LOW PERCENTAGE REALIZATION OF THE TARGET FOR VOLUNTARY CONTRIBUTIONS AND REQUESTED THE SECRETARIAT TO INCLUDE IN THE ACCOUNTS SECHEDULE D (PAGE 38 GOV/1829) A STATEMENT OF THE TARGET AND EACH MEMBER'S FAIR SHARE BASED ON THE SCAL OF ASSESSMENTS. (MANY DEL DID NOT OVERLOOK THAT PAKISTAN'S VOL CONTRIBUTION FOR 76 IS OUTSTANDING. THE PHILIPPINES REPRESENTATIVE REQUESTED EVALUATION OF SEVERAL ACTIONS FOR REDUCING UNOBLIGATED BALANCES, AS FOLLOWS: A) REQUIRE CONTRIBUTIONS IN CONVERTIBLE CURRENCIES. B) USE INCONVERTIBLE BALANCES FOR EXPENSES OF SAFEGUARDS INSPECTORS; AND FURTHER REQUESTED THE SECRETARIAT REPORT TO THE JUNE BG PROPOSALS FOR REDUCTION OF UNOBLIGATED BALANCES IN OP FUND II.

THE PHILIPPINES ALSO REQUESTED INFORMATION ON THE BASIS OF REIMBURSEMENT OF OVERHEAD COSTS INCURRED IN EXECUTION OF UNDP UNCLASSIFIED

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PROJECTS SECRETARIAT REPLIED THAT THERE WAS NO REAL DATA ON THIS SUBJECT, THAT THE ANSWER REQUIRES AN INTERNAL COST STUDY AND THAT THE PRESENT 14 PERCENT COULD NOT BE CHANGED UNTIL HIGHER COSTS COULD BE DETERMINED.

4. DISCUSSION OF THE BUDGET CENTERED ON A FEW POINTS.. TABLE 1 (CONSOLIDATED BUDGET) DREW THE MOST COMMENT AND WAS AT THE SAME TIME THE MOST HEAVILY CRITICIZED AND THE MOST STRONGLY SUPPORTED ITEM IN THE BUDGET. THE DEVELOPED COUNTRIES - US, FRG, NL, UK, SOUTH AFRICA, BELGIUM, JAPAN, CANADA, FRANCE, USSR AND AUSTRALIA SUPPORTED RETENTIO N

OF TABLE I ON THE GROUND THAT IT SHOWS AT A GLANCE THE TOTAL RESOURCES DISPOSED OF BY THE AGENCY. THE VOCAL LDC'S, PAKISTAN, MALAYASIA, PHILIPPINES, INDONESIA, LIBYA, NIGERIA, AND BRAZIL OBJECTE D

TO TABLE I AS OVERSTATING THE SIZE OF THE TECHNICAL ASSISTANCE PROGRAM. IN THE END THE CHAIR'S CONSENSUS WAS REACHED THAT TWO TABLES BE PRESENTED ON ADJACENT PAGES: ON THE REGULAR BUDGET AND THE OTHER EXTRABUDGETARY RESOURCES TOGETHER WITH A CONSOLIDATED TOTAL.

5. THE PROPOSA TO GIVE SPECIAL MERIT PROMOTIONS TO THREE P-5S RECEIVED NEGATIVE COMMENTS FROM THE US, (REF B) AND ALMOST ALL REPRESENTATIVES CHOOSING TO SPEAK ON THE SUBJECT. THE DIRECTOR GENERAL DEFENDED HIS PROPOSAL FOR SPECIAL MERIT PROMOTIONS SAYING THAT THE ONE SPECIFIC CASE HE HAD IN MIND WHEN THE

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PROPOSAL WAS MADE INVOLVED AN EMPLOYEE WITH 30 YEARS EXPERIENCE;
10 IN THE U.N. AND TWENTY IN THE AGENCY, BUT NO CHANCE FOR
FURTHER PROMOTION.

AFTER THE DIRECTOR'S GENERAL'S REMARKS A FEW REPRESENTATIVES SOFT-
ENED THEIR PREVIOUS OPPOSITION TO THESE PROMOTIONS AND IN THE END
IT WAS UNCLEAR IF A CONSENSUS WAS REACHED.

COMMENT: IN VIEW INCONCLUSIVE DEBATE OVER THIS ISSUE, MISSION
DISCUSSED MATTER SUBSEQUENTLY WITH DDG HALL, WHO AGREED THAT
IT WAS DIFFICULT TO DRAW A CLEAR CONCLUSION TO WHETHER OR NOT
COMMITTEE WENT ALONG WITH DG'S PROPOSAL. SINCE DG POINTED OUT
THAT US SUGGESTION TO OFFER SPECIAL AWARD WITH CASH GRANT WOULD
BE EVEN MORE INCONSISTENT WITH COMMON UN SYSTEM, AND IN
LIGHT OF HIS ADDITIONAL EXPLANATIONS, WE ARE INCLINED TO RECOMMEND
THAT US NOT REPORT NOT OBJECT TO DG'S PROPOSAL WHEN IT COMES TO THE
BOARD IN JUNE, BUT INSTEAD TO EXPRESS OUR RESERVATIONS AT THE
PROPOSED ACTION AND TO MAKE CLEAR THAT DG SHOULD EXERCISE GREATEST
RESTRAINT IN CARRYING OUT THESE RECLASSIFICATIONS. THIS APPEARS
TO BE THE CONSENSUS THAT IS EMERGING ON THIS ISSUE. END COMMENT.

6. MANY COUNTRIES COMMENTED THAT THE BUDGET WAS TOO
LARGE AND THAT ITS GROWTH RATE WAS TOO HIGH. THE FRG REP WAS THE
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MOST CRITICAL NOTING THAT THE ATOMIC ENERGY AGENCIES OF MOST DEVELOPED COUNTRIES WERE EXPERIENCING BUDGET AUSTERITY AND THERE WAS NO GOOD REASON FOR THE IAEA TO BE SOLE EXCEPTION. REGARDING NEW POSITIONS, THE FRG REP NOTED THAT THE INCREASE WAS FAR IN EXCESS OF

THE 33 POSITIONS FORECAST BY THE DG LAST SEPTEMBER. OF PARTICULAR CONCERN WAS THE LARGE INCREASE IN SAFEGUARDS AS COMPARED TO THE REST OF THE IAEA. LDC'S TENDED TO SEE THE AGENCY AS BECOMING A SAFEGUARDS AGENCY RATHER THAN AN AGENCY TO BENEFIT LDC'S.

7. PROGRAM BUDGET: THE MEETING NEXT TURNED ITS ATTENTION TO SPECIFIC ITEMS OF THE PROGRAM BUDGET TAKING THEM UP IN THE ORDER OF PRESENTATION.

A) TECHNICAL ASSISTANCE: INDONESIAN REP SUGGESTED THAT MORE STAFF WOULD BE REQUIRED TO MEET REQUIREMENTS OF THE TECHNICAL ASSISTANCE PROGRAM WHILE THE FRG REP NOTED THAT HE WAS UNDER INSTRUCTIONS TO RESERVE HIS GOV'T'S POSITION ON TA AS WELL AS THE ENTIRE IAEA BUDGET.

B) NUCLEAR POWER AND REACTORS: THE UNITED KINGDOM REP APPROVED SOME OF THE INCREASES, BUT SPECIFICALLY OBJECTED TO ADDING PERSONNEL IN THE SOLAR ENERGY AREA SUGGESTING THE CONSULTANTS WOULD BE THE MOST APPROPRIATE WAY FOR THE IAEA TO ACQUIRE THIS TECHNOLOGICAL COMPETENCE WHEN NECESSARY. HE ALSO NOTED UNDER TABLE B-3 THAT MANPOWER DEVOTED TO ENERGY FORECASTS AND POWER ECONOMICS WAS EXCESSIVE AT 8.5 PROFESSIONAL MAN YEARS AND 3.5 GS MAN YEARS. REPS OF US, BELGIUM, CANADA, FRANCE AND ITALY SUPPORTED THE UK IN OPPOSITNG EXPENDITURES FOR SOLAR ENERGY STAFF FOR THE IAEA. THE UNITED STATES REP ALSO COMMENTED THAT THE AGENCY SHOULD BE EXTREMELY CAUTIOUS ABOUT DISSEMINATION OF INFORMATION IN TECHNOLOGY SUCH AS REPROCESSING AND PLUTONIUM RECYCLING. FINALLY THE UNITED STATES RE ADDING A SPECIFIC REFERENCE IN THE BUDGET TO THE INTERNATIONAL URANIUM RESOURCES EVALUATION PROJECT BEING CARRIED OUT JOINTLY BY THE AGENCY AND NEA OF OECD.

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PAKISTAN REP EXPRESSED THE NEED OF LDC'S FOR HELP IN THE TECHNOLOGY OF NUCLEAR REACTOR OF LESS THAN 600 MW OUTPUT, AND ALSO FOR QUALITY ASSURANCE PROGRAMS FOR LDC'S. THE DEPUTY DIRECTOR GENERAL REPLIED COMMENTING THAT THE AGENCY HAD NO AMBITIONS REGARDING SOLAR ENERGY BUT WAS MERELY RESPONDING TO THE REQUESTS OF MEMBERS.

C) NUCLEAR SAFETY AND ENVIRONMENTAL PROTECTION: THE US REP ENDORSED THE IAEA/IIASA RISK ASSESSMENT PROJECT NOTING THIS PROJECT TO BE UNIQUE IN THE WORLD AND TO HAVE ATTRACTED THE ACTIVE SUPPORT OF THE US, FRG, FRANCE, JAPAN, THE NETHERLANDS, NORWAY, SOUTH AFRICA, SWEDEN AND THE UNITED KINGDOM. IN ADDITION, THE UNITED STATES REP REQUESTED THAT THE ADMINISTRATIVE ARRANGEMENTS AND RESOURCES AVAILABLE TO THIS PROJECT BE REVIEWED TO ASSURE THEIR ADEQUACY IN TERMS OF MEETING THE

PROJECTS OBJECTIVES. THE FRG REP ENDORSED THE U.S. STATEMENT. THE REP OF ITALY QUESTIONED THE NEED FOR AGENCY RESOURCES TO BE DEVOTED TO EMERGENCY ASSISTANCE IN THE EVENT OF RADIATION ACCIDENTS FOUND IN TABLE C-4 AT 32 THOUSAND DOLLARS STAFF COSTS AND ASKED HOW MANY SUCH ACCIDENTS AGENCY HAD DEALT WITH. ZHELUDEV RESPONDED THAT HE DID NOT REMEMBER THE AGENCY EVER EXPENDING RESOURCES DEVOTED TO THIS ITEM. NIGERIAN REP QUESTIONED BUDGETED AMOUNTS FOR TRAVEL, REPRESENTATIONAL BUDGET, AND PRINTING AND PUBLICATIONS SERVICES IN ALL PROGRAMS.

D) NUCLEAR EXPLOSIONS FOR PEACEFUL PURPOSES: THE UNITED STATES REP REQUESTED DEFERRAL OF THE ADVISORY GROUP ON HEALTH AND SAFETY ASPECTS OF NUCLEAR EXPLOSIONS FOR PEACEFUL PURPOSES. THE UK ENDORSED THE UNITED STATES POSITION.

E) FOOD AND AGRICULTURE: PAKISTAN REP REQUESTED ENLARGEMENT OF THIS PROGRAM RATHER THAN THE REAL DECREASE IN RESOURCES AVAILABLE; PARTICULARLY NOTING THAT REGIONAL COOPERATION PROJECTS UNCLASSIFIED

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SHOULD BE FULLY FUNDED.

F) LIFE SCIENCES: REP OF EGYPT NOTED SPECIAL BENEFITS TO LDC'S FROM REGRETTING THE DECREASE OF APPROPRIATIONS.

G) PHYSICAL SCIENCES NO COMMENT.

H) THE LABORATORY: NO COMMENT.

I) INTERNATIONAL CENTER FOR THEORETICAL PHYSICS (TRIESTE): PAKISTAN REP EXPRESSED CONCERN THAT REACTOR PHYSICS HAD BEEN NEGLECTED IN TRIESTE. REP OF BELGIUM STRESSED THE IMPORTANCE OF THE TRIESTE CENTER AND REQUESTING THAT MORE BE DONE TO SOLVE THE CENTER'S FINANCIAL PROBLEMS. ITALY NOTED THAT ITS CONTRIBUTIONS WERE ALWAYS IN DOLLARS OR SOME OTHER CONVERTIBLE CURRENCY. (LIRA?)

J) INTERNATIONAL LABORATORY OF MARINE RADIOACTIVITY (MONACO): NO COMMENT.

K) SAFEGUARDS: THE US REP SPOKE FIRST NOTING THAT THE 500 THOUSAND DOLLAR FIGURE MENTIONED IN PARAGRAPH K-9 IS ACTUALLY AN ESTIMATE OF FUNDS TRANSFERRED TO THE AGENCY WHEREAS THE TOTAL US EXPENDITURES ON BEHALF OF THIS PROGRAM AMOUNT TO APPROXIMATELY 2.6 MILLION DOLLARS IN 1978. REPS OF INDONESIA, CHILE, NIGERIA, PAKISTAN AND EGYPT ALL EXPRESSED CONCERN THAT THE SAFEGUARDS BUDGET WAS GROWING IN AN UNCONTROLLED MANNER AND REQUESTED REDUCTION IN THE INCREASE OF SAFEGUARDS POSTS FROM 23 PROFESSIONALS TO 12. REP OF BELGIUM AND JAPAN

REQUESTED JUSTIFICATION FOR A SIGNIFICANT NUMBER OF NEW PROFESSIONAL POSTS WHEN ONLY FOUR NEW FACILITIES WERE PROJECTED TO COME UNDER SAFEGUARDS IN 1978. ROMETSCH REPLIED THAT THE INCREASE WAS NECESSARY TO BRING THE QUALITY OF SAFEGUARDS ACTIVITIES IN THE EURATOM

AREA UP THE AGENCY STANDARD. AUSTRALIA QUESTIONED THE FACT THAT IN TABLE K-5 UNDER PROGRAM COORDINATION, 80 PERCENT OF THE EXPENSES FALL IN THE "OTHER CATEGORY" AND REQUESTED A CLARIFICATION. ROMETSCH
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EXPLAINED THAT THIS ITEM IS MOSTLY COMPUTER COSTS.

L) INFORMATION AND TECHNICAL SERVICES. THE U.S. REQUESTED ASSURANCE THAT SAFEGUARDS AND OTHER PROPRIETARY INFORMATION IN THE AGENCY COMPUTER WOULD NOT BE ACCESSIBLE FROM REMOTE TERMINALS DESIGN-

NED TO SERVE THE INIS AND AGRIS SERVICES. THE FRG ENDORSED THE US STATEMENT, AND ROMETSCH REPLIED THAT COMPUTER PROGRAM DIFFERENCES PLUS ACCESS CODING WOULD PREVENT ACCESS TO PROPRIETARY INFORMATION. CANADA NOTED TABLE L.6, WHICH SHOWS BREAKDOWN OF COMPUTER COSTS ATTRIBUTABLE TO VARIOUS AGENCY PROGRAMS, AND REQUESTED SIMILAR INFORMATION FOR LINGUISTIC, PUBLICATION AND PRINTING COSTS.

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M) POLICY-MAKING ORGANS: NO COMMENT.

N) EXECUTIVE MANAGEMENT AND TECHNICAL PROGRAM PLANNING:
NO COMMENT.

O) ADMINISTRATIVE: THE UNITED STATES REP REQUESTED THE ADDITION
OF A P-3 OR P-4 POST TO THE DIVISION OF BUDGET AND FINANCE
FOR THE PURPOSE OF IMPROVEMENT IN THE AGENCY'S INTERNAL
FISCAL CONTROLS AS RECOMMENDED BY THE EXTERNAL AUDITOR.

P) GENERAL SERVICES: NO COMMENT.

Q) SERVICE ACTIVITIES: THE UNITED KINGDOM REP QUESTIONED THE
INCREASE OF 109,500 DOLLARS IN RESPECT TO FREE-LANCE INTERPRETATION
SERVICES, SUGGESTING INSTEAD THAT PERMANENT STAFF MIGHT BE
MORE ECONOMICAL. DDG HALL REPLIED THAT THIS ITEM WAS NECESSARY
IN VIEW OF THE UNEVEN WORKLOAD IN LINGUISTIC SERVICES, AND THAT
PERMANENT STAFF WOULD BE EVEN MORE COSTLY.

R) TRANSFER OF THE AGENCY TO ITS PERMANENT HEADQUARTERS:
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SOUTH AFRICAN REP OBJECTED TO THE "UNFORESEEN COST" ESTIMATE
OF 70 THOUSAND DOLLARS SINCE THIS WAS CONTRARY TO FULL BUDGETING
PRINCIPLE. SECRETARIAT REPLIED THAT THIS ESTIMATE WAS WELL WITHIN
THE MARGIN FOR ERROR IN ESTIMATES OF THE COSTS OF THE MOVE.
EGYPTIAN REP QUESTIONED WHETHER MOVES OF ADDITIONAL AGENCY OFFICES
FROM THE HEADQUARTERS BUILDING TO OTHER TEMPORARY QUARTERS
SUCH AS WASAGASSE AND BERGASSE ARE CONTEMPLATED. DDG HALL REPLIED
THAT NO ADDITIONAL MOVES WERE EXPECTED PRIOR TO THE MOVE TO DONAU
PARK.

S) ADJUSTMENT OF PROGRAM COST ESTIMATES: PAKISTAN QUESTIONED
THE METHOD FOR DISTRIBUTION OF THIS 2.1 MILLION DOLLARS FIGURE
TO THE VARIOUS AGENCY PROGRAMS. ABBADESSA REPLIED THAT THIS
FIGURE IS NEVER DISTRIBUTED TO INDIVIDUAL PROGRAMS SO THAT
COMPARABILITY OF FIGURES IN THE BUDGET FROM ONE YEAR TO THE
NEXT IS PRESERVED.

9. DISCUSSION OF TARGET FOR VOLUNTARY CONTRIBUTIONS TO OPERATING
FUND II CENTERED AROUND TWO CENTRAL THEMES. ON ONE SIDE WERE THE
PRINCIPAL DONOR COUNTRIES HEADED BY THE US ARGUING THAT NO SIGNIFICANT

INCREASES IN THE TARGET COULD BE JUSTIFIED IN VIEW OF THE LARGE
UNOBLIGATED BALANCES IN OPERATING FUND II. ON THE OTHER SIDE,
HEADED BY PAKISTAN, WERE THE TECHNICAL ASSISTANCE RECIPIENT
COUNTRIES ARGUING THAT SUBSTANTIAL INCREASES IN THE TARGET WERE
JUSTIFIED PARTICULARLY IN VIEW OF THE LARGE INCREASE IN THE

AGENCY REGULATORY ACTIVITIES PARTICULARLY SAFEGUARDS. ARGUMENTS OF THE LESS DEVELOPED COUNTRIES FOLLOWED TWO LINES: FIRST THAT THE TARGET FOR VOLUNTARY CONTRIBUTIONS SHOULD BE INCREASED TO MATCH THE INCREASE IN SAFEGUARDS, (SEVERAL OTHER MEASURES OF GROWTH IN THE AGENCY WERE ALSO SUGGESTED, SUCH AS OVERALL BUDGET GROWTH.) THE SECOND THEME OF THE LESS DEVELOPED COUNTRIES WAS THAT THE TARGET FOR TECHNICAL ASSISTANCE SHOULD NOT BE A MATTER OF ANNUAL NEGOTIATIONS, BUT SHOULD BE TIED TO AN AGREED MEASURE OF THE AGENCY'S REGULAR BUDGET. OF COURSE, TYING THE TARGET TO THE AGENCY'S REGULAR BUDGET SHOULD BE ON A RETROACTIVE UNCLASSIFIED

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BASIS, TO REMEDY RECENT IMBALANCES. THE REGULAR BUDGET OF, FOR INSTANCE, 1975 OR IN THE ALTERNATIVE THE 1975 SAFEGUARDS BUDGET WERE SUGGESTED, AND THE PROPORTIONALITY OF INCREASE SHOULD BE WITH RESPECT TO THOSE BUDGETS. SPEAKERS STATEMENTS ALONG THESE GENERAL LINES INCLUDED PHILIPPINES, PAKISTAN, CHILE, NIGERIA AND BRAZIL. U.S., BELGIUM, CANADA AND AUSTRALIA ARGUED AGAINST LARGE INCREASES IN THE TARGET. BELGIUM SUGGESTED THAT LINKAGE OF THE TARGET MIGHT BE INTERESTING IF THE LINKAGE WERE TO GROWTH OF NATIONAL REVENUE OF DEVELOPED COUNTRIES. CANADA EXPRESSED ITS POSITION THAT TECHNICAL ASSISTANCE FROM THE IAEA WAS NOT INTENDED TO BE A SIGNIFICANT FACTOR IN ITS FOREIGN AID EFFORTS WHICH ARE PRIMARILY DIRECTED THROUGH UNDP. RECIPIENT COUNTRIES CALLED FOR A TARGET BETWEEN 9 AND 17 MILLION DOLLARS, BUT DONOR COUNTRY PROPOSALS DID NOT EXCEED 6.5 MILLION DOLLARS. THE HOUR BEING RATHER LATE, THE COMMITTEE REACHED A CONSENSUS NOT TO RECOMMEND A TARGET TO THE BOARD OF GOVERNORS

10. OTHER MATTERS CONSIDERED BY THE A&B COMMITTEE WERE THE WORKING CAPITAL FUND WHICH THE COMMITTEE AGREED TO RECOMMEND BE MAINTAINED AT ITS PRESENT LEVEL. STONE

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Secure: OPEN
Status: NATIVE
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